

EAST COLUMBIA WATERWORKS DISTRICT
Columbia, Louisiana

Annual Financial Statements

As of and for the Year Ended
December 31, 2014

EAST COLUMBIA WATERWORKS DISTRICT
Columbia, Louisiana

Annual Financial Statements
As of and for the Year Ended December 31, 2014

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M. CARLEEN DUMAS
Certified Public Accountant
369 Donaldson Road. Calhoun, Louisiana. Telephone 318/644-5726

Independent Accountant's Review Report

BOARD OF COMMISSIONERS
EAST COLUMBIA WATERWORKS DISTRICT
Columbia, Louisiana

I have reviewed the accompanying financial statements of the business-type activities of the East Columbia Waterworks District (the "District"), a component unit of Caldwell Parish Police Jury, as of and for the year ended December 31, 2014, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of the District. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management of the District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

My review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. Management's discussion and analysis on pages 4 through 6 is presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting and for placing the basic financial statements in an appropriate operational, economic, or historical context. The schedule of compensation, benefits, and

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BOARD OF COMMISSIONERS
EAST COLUMBIA WATERWORKS DISTRICT
Columbia, Louisiana

other payments to agency head and board of commissioners, status of prior year findings, and current year findings and corrective action plan on pages 21 through 23, are not a required part of the basic financial statements but are supplementary information required by the Louisiana Governmental Audit Guide. The supplementary information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but it has been compiled from information that is the representation of management. I have not audited or reviewed the supplementary information, and accordingly, I do not express an opinion or provide any assurance on such supplementary information.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, I have issued a report dated March 23, 2015, on the results of my agreed-upon procedures.

/s Carleen Dumas
Calhoun, Louisiana
March 23, 2015

EAST COLUMBIA WATERWORKS DISTRICT
Columbia, Louisiana

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2014

Our discussion and analysis of East Columbia Waterworks District's (hereafter referred to as the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2014. Please read it in conjunction with the District's financial statements that begin on page 8.

BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, provides that special-purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds. For these governments, basic financial statements and required supplemental information (RSI) consist of :

- a. Management's discussion and analysis (MD&A)
- b. Statement of net position
- c. Statement of revenues, expenses, and changes in net position
- d. Statement of cash flows
- e. Notes to the financial statements
- f. RSI other than MD&A, if applicable

The East Columbia Waterworks District is a special-purpose government engaged only in business-type activities.

Enterprise Fund Financial Statements

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position provide information in a way that shows the change in the District's financial condition resulting from the current year's activities. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net position* and the changes in it. Net position - the difference between assets (what the District owns) and liabilities (what the District owes) is a way to measure the financial position of the District. Over time, increases or decreases in the District's net position is an indicator of whether the District's financial position is improving or deteriorating.

EAST COLUMBIA WATERWORKS DISTRICT
Columbia, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2014

The Statement of Cash Flows provides information on the changes in cash during the year. This statement reports the net cash provided or used by operating activities, capital and related financing activities, and investing activities.

**COMPARATIVE ANALYSIS OF
FINANCIAL DATA**

The District's net position increased by \$24,808 during 2014. Operating revenues decreased \$29,079 while operating expenses decreased \$53,374 from the prior year. The largest decreases in operating expenses were in salary, travel, and insurance. The following presents an analysis of net position and changes in net position of the District's business-type activities:

	BUSINESS-TYPE ACTIVITIES	
	2014	2013
Assets		
Current assets	\$196,512	\$196,512
Restricted assets	222,008	218,307
Capital assets	302,344	319,971
Total assets	<u>720,864</u>	<u>734,790</u>
Liabilities		
Current liabilities	126,518	140,252
Long-term liabilities	175,000	200,000
Total liabilities	<u>301,518</u>	<u>340,252</u>
Net Position		
Net investment in capital assets	102,344	94,972
Restricted for debt service	222,008	218,307
Unrestricted	94,994	81,259
Total net position	<u>419,346</u>	<u>394,538</u>
Operating revenues	251,894	280,973
Operating expenses	219,642	273,016
Non-operating revenues (expenses)	<u>(7,444)</u>	<u>(9,486)</u>
Change in net position	24,808	(1,529)
Net position - beginning	394,538	396,067
Net position - ending	<u>\$419,346</u>	<u>\$394,538</u>

EAST COLUMBIA WATERWORKS DISTRICT
Columbia, Louisiana
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2014

OVERALL FINANCIAL POSITION

Unrestricted net position was \$94,994 at year end. Net position restricted for debt service was \$222,008. The net investment in capital assets was \$102,344 at year end.

CAPITAL ASSETS AND DEBT

Capital Assets

At the end of the year, the District had capital assets (net of accumulated depreciation) totaling \$302,344. Capital assets include land, the water system, construction in progress, and equipment costing \$1,000 or more. There were no additions or deletions in capital assets during the year ended December 31, 2014. Additional information about the District's capital assets is presented in Note 4 to the financial statements.

Debt

At year end the District had \$200,000 in revenue bonds payable. Interest expense for the year was \$10,003. Accrued interest payable on these bonds was \$9,972 at December 31, 2014. Additional information about the District's debt is presented in Note 5 to the financial statements.

ECONOMIC FACTORS

The District anticipates its revenues from water sales to increase for 2015 due to a rate increase that was implemented in June 2014. The district anticipates incurring capital expenditures of approximately \$2,483,450 during 2015 in connection with planned water system improvements. The sources of project funding have not been fully determined as of December 31, 2014; however, in December 2010 the District approved issuing water revenue bonds not to exceed \$1,595,000 in connection with this project. Operating expenses are expected to remain fairly constant for 2015 except for a possible increase in depreciation and interest expense if the project is completed during 2015.

BASIC FINANCIAL STATEMENTS

EAST COLUMBIA WATERWORKS DISTRICT
Columbia, Louisiana

STATEMENT OF NET POSITION
December 31, 2014

ASSETS

Current assets:

Cash	\$75,771
Investments	94,662
Receivables (net of allowance for bad debts)	<u>26,079</u>
Total current assets	<u>196,512</u>

Noncurrent assets:

Restricted cash	86,565
Restricted investments	135,443
Property, plant and equipment (net of accumulated depreciation)	<u>302,344</u>
Total noncurrent assets	<u>524,352</u>
Total assets	<u>720,864</u>

LIABILITIES

Current liabilities:

Accounts payable	23,030
Payroll taxes payable	394
Accrued interest payable	9,972
Current portion of long-term debt	25,000
Customer deposits	<u>68,122</u>
Total current liabilities	126,518

Noncurrent liabilities:

Long-term debt - revenue bonds payable	<u>175,000</u>
Total liabilities	<u>301,518</u>

NET POSITION

Net investment in capital assets	102,344
Restricted for debt service	222,008
Unrestricted	<u>94,994</u>
Total net position	<u>\$419,346</u>

See accompanying notes and independent accountant's review report.

Statement B**EAST COLUMBIA WATERWORKS DISTRICT**
Columbia, Louisiana**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION**
For the Year Ended December 31, 2014**OPERATING REVENUES**

Water sales	\$249,065
Installation fees	<u>2,829</u>
Total operating revenues	<u>251,894</u>

OPERATING EXPENSES

Commissioners per diem	4,650
Travel	6,722
Accounting	1,988
Materials and supplies	35,337
Maintenance and repairs	11,403
Office expense	13,113
Fees and permits	3,757
Utilities	13,885
Insurance	35,667
Salaries	64,643
Contract labor	1,158
Collections expense	1,000
Payroll taxes	5,459
Depreciation	17,628
Other operating expenses	<u>3,232</u>
Total operating expenses	<u>219,642</u>

OPERATING INCOME32,252**NON-OPERATING REVENUES (EXPENSES)**

Interest income	2,559
Interest expense	<u>(10,003)</u>
Total non-operating revenues (expenses)	<u>(7,444)</u>

INCREASE IN NET POSITION

24,808

NET POSITION - BEGINNING394,538**NET POSITION - ENDING**\$419,346

See accompanying notes and independent accountant's review report.

EAST COLUMBIA WATERWORKS DISTRICT
Columbia, Louisiana

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$255,131
Customer deposit receipts, net	1,150
Payments to suppliers	(133,025)
Payments to employees and board	(78,627)
Net cash provided by operating activities	<u>44,629</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Principal paid on long-term debt	(25,000)
Interest paid on long-term debt	(11,250)
Construction of capital assets	(4,000)
Increase in restricted cash and investments	(3,701)
Net cash used by capital financing activities	<u>(43,951)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	2,559
Decrease in investments	11,260
Net cash provided by investing activities	<u>13,819</u>

NET INCREASE IN CASH**CASH AT BEGINNING OF YEAR****CASH AT END OF YEAR**

14,497
<u>61,274</u>
<u><u>\$75,771</u></u>

Reconciliation of Operating Income to Net Cash**Provided by Operating Activities**

Operating Income	<u>\$32,252</u>
Adjustments:	
Depreciation	17,628
Decrease in accounts receivable	3,236
Decrease in accounts payable	(9,440)
Decrease in taxes payable	(197)
Increase in customer deposits	1,150
Total adjustments	<u>12,377</u>
Net cash provided by operating activities	<u><u>\$44,629</u></u>

See accompanying notes and independent accountant's review report.

EAST COLUMBIA WATERWORKS DISTRICT
Columbia, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2014

INTRODUCTION

East Columbia Waterworks District was created by the Caldwell Parish Police Jury on September 6, 1949, as authorized by Louisiana Revised Statute 33:3811 for the purpose of supplying safe drinking water to the population of the district. The district is governed by a six member board appointed by the police jury to serve five-year terms. East Columbia Waterworks District commissioners receive \$50 per regular and special meeting attended. The district serves approximately 997 customers and has two employees.

GASB Statement No. 14, *The Reporting Entity*, and No. 39, *Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14*, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of these Statements, East Columbia Waterworks District is considered a component unit of the Caldwell Parish Police Jury. As a component unit, the accompanying financial statements maybe included within the reporting of the primary government, either blended into those financial statements or separately reported as a discrete component unit.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Statements

Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, provides that special-purpose governments engaged only in business-type activities should present only the financial statements required for enterprise funds. For these governments, basic financial statements and required supplemental information (RSI) consist of :

1. Management's discussion and analysis (MD&A)
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4. Statement of cash flows
5. Notes to the financial statements
6. RSI other than MD&A, if applicable

The East Columbia Waterworks District is a special-purpose government engaged only in business-type activities.

See independent accountant's review report.

EAST COLUMBIA WATERWORKS DISTRICT
Notes to the Financial Statements

**B. Measurement Focus, Basis of Accounting, and
Financial Statement Presentation**

Enterprise fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operation. The operating revenues of East Columbia Waterworks District are water sales and installation fees. Operating expenses for enterprise funds include the costs of the services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Deposits and Investments

Cash includes amounts in interest-bearing and non-interest bearing demand deposits. State law limit's the district's credit risk by restricting the district's investments to collateralized certificates of deposits, government-backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government-backed securities. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At December 31, 2014, the district's investments consist of nonnegotiable certificates of deposits with original maturities that exceed 90 days that are reported in the accompanying financial statements at cost. The district's interest rate risk is limited by the investment of funds for periods not to 24 months.

D. Receivables

Receivables for water sales are shown net of an allowance for uncollectible amounts. The allowance is an estimate based on the amount of receivables that are collected in the month following the month billed. Past due amounts are written off when they are considered uncollectible by management.

E. Restricted Assets

Certain resources set aside for the repayment of revenue bonds are classified as restricted assets on the balance sheet because their use is limited by the debt agreement. It is the policy of the district to first use nonrestricted assets when both restricted and nonrestricted assets are available.

See independent accountant's review report.

EAST COLUMBIA WATERWORKS DISTRICT
Notes to the Financial Statements

F. Capital Assets

Capital assets, which include land, the water system, construction in progress, and equipment are reported in the enterprise fund financial statements. All of the district's capital assets are capitalized at historical cost. The East Columbia Waterworks District maintains a threshold level of \$1,000 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets, if any, is included as part of the capitalized value of the assets constructed.

All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the following useful lives:

	<u>Estimated Lives</u>
Infrastructure - Water system	25 years
Equipment	5-15 years

G. Long-term Obligations

Long-term debt such as revenue bonds payable are reported as liabilities in the statement of net position.

H. Interest Costs

The following provides disclosure on interest costs for the year ended December 31, 2014:

Total interest cost expensed	\$10,003
Total interest cost capitalized	<u>NONE</u>
Total interest costs incurred	<u><u>\$10,003</u></u>

I. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, disclosures, and revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

See independent accountant's review report.

EAST COLUMBIA WATERWORKS DISTRICT
Notes to the Financial Statements

2. DEPOSITS IN FINANCIAL INSTITUTIONS

At December 31, 2014, the district has cash, investments, restricted cash, and restricted investments (book balances) as follows:

Non-interest bearing checking accounts	\$75,771
Interest bearing savings accounts	86,565
Investments - certificates of deposit	<u>230,105</u>
Total	<u><u>\$392,441</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Cash and investments (bank balances) at December 31, 2014, are fully secured from risk by federal deposit insurance.

3. RECEIVABLES

At December 31, 2014, the district has net receivables of \$26,079 as follows:

Water sales	\$33,408
Allowance for uncollectible accounts	<u>(7,329)</u>
Net receivables	<u><u>\$26,079</u></u>

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2014, is as follows:

	Balance at January 1, 2014	Increases	Decreases	Balance at December 31, 2014
Capital assets not being depreciated:				
Land	\$32,950			\$32,950
Construction in progress	<u>103,430</u>			<u>103,430</u>
Total capital assets not being depreciated	<u>136,380</u>	<u>NONE</u>	<u>NONE</u>	<u>136,380</u>
Capital assets being depreciated:				
Water system	1,666,884			1,666,884

See independent accountant's review report.

EAST COLUMBIA WATERWORKS DISTRICT
Notes to the Financial Statements

	Balance at January 1, 2014	Increases	Decreases	Balance at December 31, 2014
Equipment	<u>\$91,092</u>			<u>\$91,092</u>
Total capital assets being depreciated	<u>1,757,976</u>	<u>NONE</u>	<u>NONE</u>	<u>1,757,976</u>
Less accumulated depreciation for:				
Water system	1,512,661	\$10,095		1,522,756
Equipment	<u>61,723</u>	<u>7,533</u>		<u>69,256</u>
Total accumulated depreciation	<u>1,574,384</u>	<u>17,628</u>	<u>NONE</u>	<u>1,592,012</u>
Total assets being depreciated, net	<u>183,592</u>	<u>(17,628)</u>	<u>NONE</u>	<u>165,964</u>
Total assets	<u><u>\$319,972</u></u>	<u><u>(\$17,628)</u></u>	<u><u>NONE</u></u>	<u><u>\$302,344</u></u>

Depreciation expense of \$17,628 for the year ended December 31, 2014 was reported in the statement of revenues, expenses, and changes in net position.

5. LONG-TERM OBLIGATIONS

The following is a summary of long-term debt (revenue bonds payable) transactions for the year ended December 31, 2014:

Revenue bonds payable at January 1, 2014	\$225,000
Additions	NONE
Reductions	<u>(25,000)</u>
Revenue bonds payable at December 31, 2014	<u><u>\$200,000</u></u>

The following is a summary of the current (due in one year or less) and long-term (due in more than one year) portions of long-term obligations as of December 31, 2014:

Current portion	\$25,000
Long-term portion	<u>175,000</u>
Total	<u><u>\$200,000</u></u>

See independent accountant's review report.

EAST COLUMBIA WATERWORKS DISTRICT
Notes to the Financial Statements

All outstanding debt at December 31, 2014, in the amount of \$200,000 are revenue bonds payable with maturities from 2015 until 2021 and 5% interest rates. Loan principal and interest payable in the next fiscal year are \$25,000 and \$10,000 respectively. The individual bonds are as follows:

	\$646,300
	<u>Bonds</u>
Original issue date	7/29/81
Interest rate	5.00%
Final payment due	1/1/21
Funding source	Water revenue

The loan is due as follows:

<u>Year Ending December 31,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2015	\$25,000	\$10,000	\$35,000
2016	25,000	8,750	33,750
2017	25,000	7,500	32,500
2018	30,000	6,250	36,250
2019	30,000	4,750	34,750
2020-2021	<u>65,000</u>	<u>5,000</u>	<u>70,000</u>
Total	<u>\$200,000</u>	<u>\$42,250</u>	<u>\$242,250</u>

6. RESTRICTED ASSETS

The bond covenants with the United States Department of Agriculture, Farmers Home Administration for the long-term revenue bonds discussed in note 5 above, requires the district to establish the following reserve accounts:

- A. A "Waterworks Revenue Bond and Interest Sinking Fund". The district must transfer into this fund each month, one-twelfth of the principal and one-sixth of the interest due on the next principal and interest payment dates. Such transfers will be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.
- B. A "Waterworks Reserve Note Fund". The district must transfer into this fund each month an amount equal to 5 percent of the amount to be paid into the

See independent accountant's review report.

EAST COLUMBIA WATERWORKS DISTRICT
Notes to the Financial Statements

Waterworks Revenue Bond and Interest Sinking Fund each month until there will have been accumulated in the Reserve Fund an amount equal to the maximum principal and interest requirements in any one maturity year. The maximum is \$60,250. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Waterworks Revenue Bond and Interest Sinking Fund and as to which there would otherwise be default.

- C. A "Waterworks Depreciation Fund". The district must transfer \$242 into this fund each month. Money in this fund may be used for the making of extraordinary repairs or replacements to the system that are necessary to keep the system in operating condition and for which the money is not otherwise available. Money in this fund may be used to pay principal and interest on the bonds at any time there is not sufficient funds in the other bond funds.

At December 31, 2014, the district has set aside \$222,008 to meet the above reserve requirements and to meet the conditions of the pending new loan with the United States Department of Agriculture, Farmers Home Administration. These deposits are reported as restricted cash and investments on the district's statement of net position.

7. RISK MANAGEMENT

The district purchases commercial insurance to reduce the risk of loss resulting from property damage or liability claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

8. UTILITIES RELOCATION ASSISTANCE FUNDING

During the year ended December 31, 2005, the district entered into three separate agreements with the Louisiana Department of Transportation and Development (DOTD) to relocate the district's water lines that were located within the limits of a road construction project. The agreements with DOTD provide that the water district is responsible for repaying \$914,477 of the funding received during 2005, 2006, and 2007. The agreement provides that the district may repay in partial amounts, in exchange for goods and/or services or any combination thereof. The board of commissioners agreed to pay \$100 per year. No payments were made during the year ended December 31, 2014. At December 31, 2014, the district owes approximately \$913,972.

9. CONSTRUCTION PROJECT

The District anticipates incurring capital expenditures of approximately \$2,483,450 during 2015 in connection with planned water system improvements. The sources of project funding have not been fully

See independent accountant's review report.

EAST COLUMBIA WATERWORKS DISTRICT
Notes to the Financial Statements

determined as of December 31, 2014; however, in December 2010 the District approved issuing water revenue bonds not to exceed \$1,595,000 in connection with this project.

10. SUBSEQUENT EVENTS

Management of the district has evaluated subsequent events through March 23, 2015, the date which the financial statements were available to be issued.

See independent accountant's review report.

SUPPLEMENTAL INFORMATION SCHEDULES

See independent accountant's review report.

EAST COLUMBIA WATERWORKS DISTRICT
Columbia, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended December 31, 2014

**SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
AND BOARD OF COMMISSIONERS**

The schedule of compensation, benefits, and other payments to agency head and board of commissioners is presented in compliance with Act 706 of the 2014 Session and House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As provided by Louisiana Revised Statute 33:3819, East Columbia Waterworks District commissioners receive \$50 per regular and special meeting attended.

STATUS OF PRIOR YEAR FINDINGS

The follow-up and corrective action taken on all prior year findings is presented in Schedule 2.

**CURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN**

The corrective action plan for current year findings is presented in Schedule 3.

See independent accountant's review report.

EAST COLUMBIA WATERWORKS DISTRICT
Columbia, Louisiana

SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER
PAYMENTS TO AGENCY HEAD AND BOARD OF COMMISSIONERS
For the Year Ended December 31, 2014

BOARD COMPENSATION

Agency Head - Dale Powell - President	\$900
Shelby Cruse	850
Jerry Duff	750
Judith McKee	600
Terry McClanahan	800
John Rider	700
Ellis Spangler	<u>50</u>
Total	<u><u>\$4,650</u></u>

See independent accountant's review report.

EAST COLUMBIA WATERWORKS DISTRICT
Columbia, Louisiana

STATUS OF PRIOR YEAR FINDINGS
For the Year Ended December 31, 2014

Reference Number	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Planned Corrective Action
N/A	2004	Inadequate Segregation of Accounting Duties	No	See Current Year Findings.

See independent accountant's review report.

EAST COLUMBIA WATERWORKS DISTRICT
Columbia, Louisiana

CURRENT YEAR FINDINGS AND
CORRECTIVE ACTION PLAN
For the Year Ended December 31, 2014

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
N/A	Inadequate Segregation of Accounting Duties	It is not economically feasible to correct this deficiency based on the size of the district.	Dale Powell- President	N/A

See independent accountant's review report.

**Independent Accountant's Report on Applying
Agreed-Upon Procedures**

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Attestation Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

M. CARLEEN DUMAS
Certified Public Accountant
369 Donaldson Road. Calhoun, Louisiana. Telephone 318/644-5726

Independent Accountant's Report
On Applying Agreed-Upon Procedures

BOARD OF COMMISSIONERS
EAST COLUMBIA WATERWORKS DISTRICT
Columbia, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the East Columbia Waterworks District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended December 31, 2014 included in the accompanying *Louisiana Attestation Questionnaire*. Management of the District is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$30,000, or public works exceeding \$150,000, and determine whether such purchases were made in accordance with R.S. 38:2211-2296 (the public bid law) or R.S. 39:1551-39:1775 (the state procurement code), whichever is applicable.

A review was made of all disbursements for the year. There were no disbursements for materials and supplies that exceeded \$30,000 nor any disbursements for public works exceeding \$150,000 made during the year.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by R.S. 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required list including the noted information.

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3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon Procedure 3 were also included on the listing obtained from management in agreed-upon Procedure 2 as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon Procedure 3 were included on the listing obtained from management in agreed-upon Procedure 2 as an immediate family member.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

The district is not legally required to adopt a budget.

6. Trace the budget adoption and amendments to the minute book.

See agreed-upon Procedure 5.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more, or if actual expenditures exceed budgeted amounts by 5% or more.

See agreed-upon Procedure 5.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and;
 - (a) trace payments to supporting documentation as to proper amount and payee;
 - (b) determine if payments were properly coded to the correct fund and general ledger account;
 - (c) determine whether payments received approval from proper authorities.

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An examination of six randomly selected disbursements disclosed the following:

- (a) The six selected disbursements were properly supported.
- (b) The six selected payments were properly coded to the correct general ledger account.
- (c) The six selected payments received approval from the proper authorities.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by R.S. 42:11 - 42:28 (the opening meetings law).

The public notices for meetings were posted as required.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I examined all deposits for the period under examination and noted no proceeds that appeared to be from bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the board meetings and an examination of payroll records indicated no payments to employees which may constitute bonuses, advances, or gifts.

Prior Comments and Recommendations

The prior year report, dated February 26, 2014, included one finding. No corrective action has been taken by management.

I was not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

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This report is intended solely for the use of management of the East Columbia Waterworks District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

/s Carleen Dumas
Calhoun, Louisiana
March 23, 2015

Louisiana Attestation Questionnaire

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by the *Louisiana Governmental Audit Guide*.

M. Carleen Dumas, CPA
369 Donaldson Road
Calhoun, LA 71225

Mrs. Dumas,

In connection with your review of our financial statements as of December 31, 2014 and for the year then ended, as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on information available to us as of 2/17/15.

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes ☒ No ☐ N/A ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone which would constitute a violation of R.S. 42:1101-1124.

Yes ☒ No ☐ N/A ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980 under circumstances which would constitute a violation of R.S. 42:1119.

Yes ☒ No ☐ N/A ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes ☒ No ☐ N/A ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes [X] No [] N/A []

We have filed our annual financial statements in accordance with R.S. 24:514, and R.S. 33:463 where applicable.

Yes [X] No [] N/A []

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes [X] No [] N/A []

Meetings

We have complied with the provisions of the Opening Meetings Law, provided R.S. 42:11 through 42:28.

Yes [X] No [] N/A []

Debt

It is true that we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60 - 1410.65.

Yes [X] No [] N/A []

Advances and Bonuses

It is true that we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [X] No [] N/A []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

/s Dale Powell, President
Name

2/17/15
Date